

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – Second Regular Session

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3-14-16

COMMITTEE ON COMMERCE

Report of Regular Meeting
Wednesday, March 9, 2016
House Hearing Room 1 -- 9:30 a.m.

Convened 9:30 a.m.
Recessed 11:18 a.m.
Reconvened 11:22 a.m.
Adjourned 11:25 a.m.

Members Present

Mr. Espinoza
Mr. Lawrence
Ms. Mach
Ms. Plumlee
Mr. Rivero
Mr. Shope
Mrs. Norgaard, Vice-Chairman
Mr. Petersen, Chairman

Members Absent

Agenda

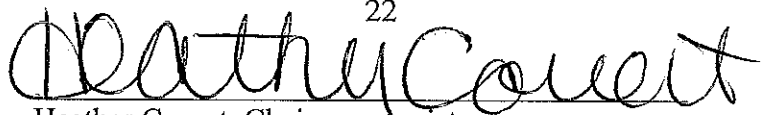
Original Agenda – Attachment 1

Request to Speak

Report – Attachment 2

Committee Action

<u>Bill</u>	<u>Action</u>	<u>Vote</u>	<u>Attachments</u> (Summaries, Amendments, Roll Call, Attendance)
SB1381	DP	7-0-0-1	3, 4
SB1487	DP	5-3-0-0	5, 6
SB1193	DP	8-0-0-0	7, 8
SB1362	DP	8-0-0-0	9, 10
SB1401	DP	8-0-0-0	11, 12
SB1524	DPA	5-3-0-0	13, 14, 15
SB1420	DP	8-0-0-0	16, 17
SB1375	DP	7-0-0-1	18, 19
SB1501	HELD		20, 21
Committee Attendance			22



Heather Covert, Chairman Assistant

March 14, 2016

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

ADDENDUM - 03/07/16

ADDENDUM - 03/07/16

ADDENDUM - 03/07/16

Conv: 930 AM
Rec: 1118 AM
Recon: 1122 AM
Adj: 1125 AM

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Wednesday, March 9, 2016

ROOM HHR 1

TIME 9:30 A.M. NOTE TIME
CHANGE
9:00 A.M.

Members:

Mr. Espinoza
Mr. Lawrence
Ms. Mach

Ms. Plumlee
Mr. Rivero
Mr. Shope

Mrs. Norgaard, Vice-Chairman
Mr. Petersen, Chairman

Bills	Short Title	Strike Everything Title
SB1193	<u>DP</u> real estate licenses; broker possession (Griffin, Worsley: Dial, et al)	
	<u>8-000-0</u> COM, RULES	
SB1362	<u>DP</u> mobile home, RV parks; prohibition (Griffin, Hobbs, Thorpe, et al)	
	<u>8-000-0</u> COM, RULES	
SB1375	<u>DP</u> telephone solicitations (Lesko, McGuire, Yee, et al)	
	<u>7-001</u> COM, RULES	
SB1381	<u>DP</u> wine; direct shipment (Barto, Begay, Dalessandro, et al)	
	<u>7-001</u> COM, RULES	
SB1401	<u>DP</u> trade names; trademarks; application (Griffin)	
	<u>8-000-0</u> COM, RULES	

Bills**Short Title****Strike Everything Title**

SB1420 DP industrial commission; compensation
(Yee, Begay, Dalessandro, et al)

8-0-0-0 COM, RULES

SB1501 HELD Arizona commerce authority; continuation; report
(Yee, Worsley, Petersen, et al)

 COM, RULES

ADDENDUM #1 - 03/07/16

SB1487 DP state law; local violations; penalties
(Biggs, Kavanagh, Smith, et al)

5-3-0-0 COM, RULES

SB1524 DPH regulatory actions; limitation
(Smith, Lesko, Yee, et al)

5-3-0-0 COM, RULES

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

HC
3/3/16
3/7/16

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032, TDD (602) 926-3241.

Information Registered on the Request to Speak System

House Commerce (3/9/2016)

SB1193, real estate licenses; broker possession

Support:

Louis Dettorre, Legislative Liaison, Arizona Department of Real Estate, AZ DEPT OF REAL ESTATE

SB1362, mobile home, RV parks; prohibition

Support:

Dana Paschke, AZ ASSN MANUFACTURED HOME OWNERS; John MacDonald, Arizona Association Of Manufactured Home Owners; Catherine Yielding, representing self; James Candland, representing self

SB1375, telephone solicitations

Support:

Courtney McKinstry, AZ ATTORNEY GENERAL'S OFFICE; Attorney General Mark Brnovich, representing self

SB1381, wine; direct shipment

Testified in support:

Scot Mussi, Arizona Free Enterprise Club; Jenna Bentley, representing self; Rod Keeling, Arizona Wine Growers Association; Robert Oppelt, representing self; Kathryn Senseman, WINE INSTITUTE

Testified as neutral:

Tony Bradley, President and CEO, Arizona Trucking Association

Testified as opposed:

Karie Dozer, ARIZONA WINE & SPIRITS WHOLESALERS ASSOCIATION

Support:

Boaz Witbeck, AMERICANS FOR PROSPERITY AZ; Terrance Traylor, representing self; Patricia Anderson, representing self; David Richardson, representing self; Eileen Danko, representing self; Bryan Lee Briggs, representing self; James Collins, representing self; Joseph Pikosz, representing self; Edward Treick, representing self; Tom Jenney, AMERICANS FOR PROSPERITY AZ; Lynne Weaver, representing self; Todd Baughman, WINE INSTITUTE; Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH; Jaimie Kleshock, representing self; Karen Mackean, representing self; Annette Marie Solis, representing self; Beth Meloy, representing self; Aimee Rigler, AZ FREE ENTERPRISE CLUB, Self; Brad Lundahl, representing self; Dawn Marie Buckland, representing self

Oppose:

Steve Barclay, BEER & WINE DISTRIBUTORS OF ARIZONA; Don Isaacson, AZ LICENSED BEVERAGE ASSN; Tim McCabe, AZ FOOD MARKETING ALLIANCE; Jessie Armendt, YOUNG'S MARKET CO SOUTHWEST LLC; Gregory Harris, Southern Wine And Spirits Of Arizona; Chianne Hower, AZ RESTAURANT AND HOSPITALITY ASSN

All Comments:

James Collins, Self: Please consider the good that this bill will do for our fledgling wineries and those who enjoy fine wine.; Steve Barclay, BEER & WINE DISTRIBUTORS OF ARIZONA: BWDA opposes this bill because shipping-related provisions agreed on in the compromise with the proponents were removed on the Senate floor. These provisions are important in terms of enforcement and fairness, and need to be restored to the bill.; Don Isaacson, AZ LICENSED BEVERAGE ASSN: I would like to testify, if necessary.; Tony Bradley, Arizona Trucking Association: The ATA is neutral on the bill as engrossed in the Senate. We would oppose any effort to add unnecessary and burdensome reporting regulations on common carriers.; Annette Marie Solis, Self: I believe passing this this bill will improve the economy. More importantly, it will help elders that can no longer drive to buy wine.; Rod Keeling, Arizona Wine Growers Association: President, Arizona Wine Growers Association; Chianne Hower, AZ RESTAURANT AND HOSPITALITY ASSN: AZ Restaurant Association is opposed to the amendment removing the common carrier language.

SB1420, industrial commission; compensation**Support:**

Bob Charles, INDUSTRIAL COMMISSION OF AZ; Garrick Taylor, Arizona Chamber Of Commerce And Industry

SB1501, Arizona commerce authority; continuation; report**Support:**

Farrell Quinlan, State Director, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE; Sandra Watson, Arizona Commerce Authority; Garrick Taylor, Arizona Chamber Of Commerce And Industry; Dianne McCallister, Arizona Technology Council; Steven Zylstra, representing self; Farrell Quinlan, State Director, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Russell Smoldon, Arizona Data Center Coalition (ADCC); Shaun Rieve, Arizona Commerce Authority; Greg Linaman, representing self

SB1487, state law; local violations; penalties**Testified in support:**

Mike Williams, Multiple Clients

Testified as opposed:

Patrice Kraus, LEAGUE OF ARIZONA CITIES & TOWNS

Support:

Timothy Lawless, representing self; Steve Trussell, AZ ROCK PRODUCTS ASSN; Daniel Jackson, representing self; Scot Mussi, Arizona Free Enterprise Club; Courtney Gilstrap LeVinus, Arizona Multihousing Association; Purdy Hart,

representing self; Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH; Robert Haller, representing self; Sydney Hay, AMIGOS TRADE ASSOCIATION; Michelle Ahlmer, AZ RETAILERS ASSN; Garrick Taylor, Arizona Chamber Of Commerce And Industry; Steven Baranowski, representing self; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Aimee Rigler, AZ FREE ENTERPRISE CLUB; Chianne Hower, AZ RESTAURANT AND HOSPITALITY ASSN; Dave Kopp, Manager, AZ CITIZENS DEFENSE LEAGUE INC

Oppose:

Craig McDermott, representing self; Samantha Pstross, representing self; Erin Roper, representing self; Rob Bohr, GOODYEAR, CITY OF; John Wayne Gonzales, Legislative Liaison, City Of Phoenix; Darlene Justus, representing self; Ryan Peters, CHANDLER, CITY OF; Miranda DeWitt, MESA, CITY OF

All Comments:

Erin Roper, Self: The City of Kingman does not support this bill.; Michelle Ahlmer, AZ RETAILERS ASSN: I am updating my request to speak in order to testify in support

SB1524, regulatory actions; limitation

Support:

Rene Guillen, AZ GOVERNOR'S OFFICE; Farrell Quinlan, State Director, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Boaz Witbeck, AMERICANS FOR PROSPERITY AZ; Nick Debus, CHANDLER CHAMBER OF COMMERCE

Neutral:

Patrice Kraus, LEAGUE OF ARIZONA CITIES & TOWNS

Oppose:

Craig McDermott, representing self

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD



HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on Commerce Bill Number SB 1487
Date 3/9/2014 ☐ Support ☒ Oppose ☐ Neutral
Name Deb Gain-Braley Need to Speak? ☒ Yes ☐ No
Representing Self Are you a registered lobbyist? No
Complete Address 327 E McKinley St
E-mail Address wrkto play US@yahoo.com Phone Number 480-496-9551
Comments: Big Govt ~~has~~ should not control
Smaller government in cities.

FIVE-MINUTE SPEAKING LIMIT



HOUSE OF REPRESENTATIVES

SB 1381

wine; direct shipment

Prime Sponsor: Senator Barto, LD 15

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

SB 1381 modifies the statute that permits direct-to-consumer shipments of wine.

PROVISIONS

1. Repeals the present Arizona Department of Liquor Licenses and Control (DLLC) laws relating to direct shipment of liquor to consumers and replaces them with limited annual sales of wine shipped directly to the consumer.
2. Permits the Director of DLLC (Director) to issue a Direct Shipment License (DSL) to:
 - a. Any state-licensed winery that also holds a federal basic permit issued by the U.S. Alcohol and Tobacco Tax and Trade Bureau.
 - b. A Farm Winery.
 - c. A winery with a Producer's License or Limited Producer's License.
3. Maintains the current law with regard to a Farm Winery licensee.
4. Details the content of the DSL application and renewal license and authorizes a fee to cover administrative, auditing and enforcement costs.
5. Gives the Director discretionary power to refuse issuance of a DSL for *good cause*.
6. Prohibits the Director from issuing a license to any applicant who:
 - a. Has any liquor license revocations the year before the application.
 - b. Has any felony convictions within five years prior to application.
7. Enables the Director to suspend, revoke or refuse to renew a DSL for *good cause* or because of a violation of the liquor laws. This action will happen after a licensee receives proper notice and a hearing before the Office of Administrative Hearings (OAH). Establishes acts or omissions of a person acting on behalf of the licensee as those of the licensee.
8. Permits the Director to impose a civil penalty rather than suspend, revoke or not renew the DSL. Allows the licensee to appeal the penalty and violation to the Liquor Board, whose members may affirm, modify or reverse the Director's decision.
9. Enables a licensed wine producer to sell and ship its own wine directly to the consumer, but limits annual sales to 12, nine-liter cases of wine as follows:
 - a. The orders are made by any means, including telephone, mail, fax or through the Internet and payment is collected by the licensee no later than the time of delivery.
 - b. The wine is for personal use, not for resale and ships to a private residence or business, but not a licensed liquor establishment.

- c. The licensee verifies the customer's age by obtaining proper identification and ensures the wine contains a proper label.
 - d. The customer is eligible to otherwise purchase or receive the wine.
 - e. The delivery is made by someone at least 21 years old during regular business hours and the delivery person obtains the signature/photo ID of the customer to ensure the person is at least 21 years old.
- 10. Requires the licensee to pay all taxes and annually file a report with pertinent information regarding direct shipped wine and upon request, allow the DLLC Director or the Department of Revenue to audit the records. Dictates a two year requirement to maintain records.
 - 11. Stipulates the consent of the licensee to DLLC jurisdiction, other state agencies, the courts and all related laws, rules and regulations of Arizona.
 - 12. Assesses a Class 2 misdemeanor for shipping without a DSL or not having a current Farm Winery License for a winery producing less than 20,000 gallons of wine the prior year.
 - 13. Maintains current law with regard to record-keeping requirements for common carriers that transport wine (except for railroads) including to remit the records to DLLC upon request.
 - 14. Requires the common carriers, other than railroads, that transport wine into and within Arizona to verify the recipient's age in addition to the present record requirements.
 - 15. Instructs the Director to begin issuing DSLs on January 1, 2017.
 - 16. Grandfathers existing DSLs and other licensees and directs them to continue operating under the regulations in place the day before the effective date of this legislation.
 - 17. Reiterates the Legislature's concern and commitment to prevent the sale and delivery of alcohol to minors and it maintains the applicability of rules and regulations to ensure the record-keeping and lawful delivery of spirituous liquor.

CURRENT LAW

A.R.S. § 4-203.04 permits an Arizona resident who is at least 21 years old to order spirituous liquor for personal use through a Direct Shipment Licensee (Series 17) placed either in-person, by telephone, mail, catalog or Internet if the shipment is made to an in-state wholesaler and then to a licensed retailer (*off-sale for carry out*). An out-of-state distiller, vintner, brewer or other type of producer of spirituous liquor may ship to a licensed wholesaler in Arizona and then to a licensed retailer.

A consumer may order a maximum of 2-cases of wine (*not beer or distilled spirits*) when physically present at a winery (*in-state or out-of-state*), per calendar year for shipment directly to a private residence or business in Arizona. The product cannot be for resale, and the consumer must be at least 21 years old.

ADDITIONAL INFORMATION

There are currently 43 states that allow direct-to-consumer wine shipments.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON _____ COMMERCE _____ BILL NO. SB 1381

DATE March 9, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza		✓			
Mr. Lawrence		✓			
Ms. Mach		✓			
Ms. Plumlee		✓			
Mr. Rivero		✓			
Mr. Shope					✓
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		7	0	0	1


COMMITTEE SECRETARY

APPROVED:



WARREN H. PETERSEN, Chairman
JILL NORGAARD, Vice-Chairman

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

SB 1487

state law; local violations; penalties
Prime Sponsor: Senator Biggs, LD 12

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

SB 1487 requires the Arizona Attorney General (AG) to investigate alleged violations of state statute or the Arizona Constitution by a county, city or town (Local Jurisdiction). Prescribes penalties for violations that withhold the Local Jurisdiction's state shared revenues.

PROVISIONS

1. Requires the AG to investigate an ordinance, regulation, order or other official action (Action) taken by the governing body of a Local Jurisdiction, upon the request of a Legislator who alleges a violation of state law or the Arizona Constitution.
2. Directs the AG to provide a written report of the investigation's findings and conclusions within 30 days after receiving the request. Requires a copy of the report to be sent to the Governor, Legislature, Secretary of State and the Legislator (s) making the request.
3. Instructs the AG as follows if the Action under investigation:
 - a. *Violates state law or the state Constitution* – the AG must provide notice to the Local Jurisdiction of the violation, giving them 30 days to resolve the issue. Failure to resolve the violation requires the AG to do all of the following:
 - i. Notify the State Treasurer to withhold State Shared Revenues for redistribution to other Local Jurisdictions as outlined.
 - ii. Monitor the response and if the violation is resolved, notify the pertinent parties, including the State Treasurer so that state shared revenues may resume.
 - b. *May violate state law or the Constitution* – the AG files a special action in the Supreme Court to resolve the issue. Directs the Supreme Court to give the special action precedence over all other cases and require the Local Jurisdiction to post bond equivalent to the amount of state-shared revenue paid over the past six months.
 - c. *Does not violate state law or the state Constitution* – the AG takes no further action.
4. Authorizes the State Treasurer to withhold state-shared revenues from an offending Local Jurisdiction. Directs the AG to certify to the State Treasurer that the violation is resolved, at which time the distribution resumes.
5. Stipulates that monies will not be withheld if necessary to make required deposits or payments for debt service on bonds or other long-term obligations of the Local Jurisdiction.

CURRENT LAW

A.R.S. § 41-192 allows the AG to represent political subdivisions, school districts and municipalities in suits to enforce state or federal statutes pertaining to antitrust, restraint of trade or price-fixing activities or conspiracies. Even though the AG must give notification to political
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Second Regular Session

subdivisions, school districts and municipalities, they have 30 days to withdraw the authority of the AG to bring the intended action on its behalf.

The AG is a constitutionally mandated and voter-elected attorney who serves as the chief legal officer of Arizona. The AG represents and provides legal advice to most state agencies, enforces consumer protection and civil rights laws, and prosecutes criminals charged with complex financial crimes and certain conspiracies involving illegal drugs. All statewide appeals from felony convictions are handed down by the AG's office. Additionally, the AG's office prosecutes cases normally handled by county attorneys when they have a conflict. The AG's office is divided into the following divisions: Criminal, State Government, Child and Family Protection, Civil Litigation, Solicitor General, Executive Office and Operations.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON _____ COMMERCE _____ BILL NO. SB 1487

DATE March 9, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza			✓		
Mr. Lawrence		✓			
Ms. Mach			✓		
Ms. Plumlee			✓		
Mr. Rivero		✓			
Mr. Shope		✓			
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		5	3	0	0

APPROVED:



WARREN H. PETERSEN, Chairman
JILL NORGAARD, Vice-Chairman


COMMITTEE SECRETARY

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

SB 1193

real estate licenses; broker possession
Prime Sponsor: Senator Griffin, LD 14

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

SB 1193 modifies the Arizona Department of Real Estate's (ADRE) duty for licensees to possess a hard copy license certificate to include the use of electronic format.

PROVISIONS

1. Eliminates the requirement for a real estate broker to return a suspended, revoked or cancelled license to ADRE and instead requires the license to be destroyed.
2. Directs the designated broker to dispose of the license of any salesperson or associate broker no longer working for the designated broker.
3. States that a designated broker complies with the ADRE possession requirement by: 1) accessing the licensee's record in the ADRE public online database and 2) printing a copy of the current and active license or having the record available in electronic format.

CURRENT LAW

ARS § 32-2128 outlines the requirements for displaying and possessing real estate license certificates. The designated broker is responsible for all salespersons/associate brokers. The law requires designated brokers and their employing brokers to prominently display all license certificates in the broker's office. All other license certificates must be readily available. The salesperson or associate broker licenses must be in the employer's possession until cancelled, terminated, suspended or revoked by ADRE, or until the person's employment ends, at which time the designated broker must return the license to ADRE. Further, the licensee must return to the broker any pocket card identification that was issued by ADRE.

ADDITIONAL INFORMATION

The ADRE baseline for FY 2017 includes \$2,985,200 and 37 FTE positions from the General Fund. As of December 2015, there are 78,650 total licensees.

ARIZONA HOUSE OF REPRESENTATIVES
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ROLL CALL VOTE

COMMITTEE ON _____ COMMERCE _____ BILL NO. SB 1193

DATE March 9, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza		✓			
Mr. Lawrence		✓			
Ms. Mach		✓			
Ms. Plumlee		✓			
Mr. Rivero		✓			
Mr. Shope		✓			
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		8	0	0	0


COMMITTEE SECRETARY

APPROVED:



WARREN H. PETERSEN, Chairman
JILL NORGAARD, Vice-Chairman

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

SB 1362

mobile home, RV parks; prohibition
Prime Sponsor: Senator Griffin, LD 14

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

SB 1362 prohibits a mobile home park (Park) from requiring a tenant to place additional names on the title of a mobile home or recreational vehicle as a condition of tenancy.

PROVISIONS

1. Prohibits a Park from requiring a tenant to place any additional person's name onto the title of a mobile home or recreational vehicle as a condition of tenancy, or from charging any fees or penalties for failure to do so.
2. Authorizes a tenant to recover damages and void a rental agreement if the landlord deliberately uses prohibited provisions in a rental agreement for the occupancy of a recreational vehicle space.
3. Makes technical changes.

CURRENT LAW

Arizona Mobile Home Parks Residential Landlord and Tenant Act (Act) in Title 33, Ch. 11 outlines the obligations of tenants and landlords of a Park and establishes the law governing the rental of mobile home spaces and rights. The chapter lists prohibited provisions in rental agreements, requirements for the rules and regulations of the Park and stipulates acceptable fees and practices between the tenant and the landlord.

A.R.S. § 33-1414 prohibits Park rental agreements from containing language that makes a tenant waive or forgo rights contained in the Act, pay the landlord's attorney fees or limit the liability of a landlord arising under law. A landlord cannot charge a fee for a late payment of rent unless it is more than five days overdue or a fee for a guest if the guest does not stay for more than a total of 14 days in a calendar month. Language that waives or limits the abilities of a tenant or charges a fee to a tenant for summoning emergency assistance is also prohibited. Any landlord that deliberately uses prohibited provisions in A.R.S. § 33-1414 is liable for actual damages and may also have the rental agreement voided.

A.R.S. § 33-1452 directs the landlord of a mobile home park to create rules and regulations for tenants and outlines requirements such as promoting the convenience, safety and welfare of the tenants on the premises, preserving the landlord's property from abusive use, preserving or upgrading the quality of the mobile home park or making a fair distribution of services and facilities for the tenants.

Any Park owner that adds, changes, deletes or amends any rule must give written notice of the alteration by first class or certified mail and furnish it to all mobile home tenants at least 30 days before it becomes effective. Any rule or condition of occupancy which is unfair and deceptive or

does not conform to the requirements of Title 33, Ch. 11 cannot be enforced. A rule or regulation adopted after the tenant enters into the rental agreement is enforceable only if it is not a substantial modification of the rental agreement.

Recreational Vehicle Long-Term Rental Space Act (RV Act) in Title 33, Ch. 19 provides details of the rights, obligations and remedies for a recreational vehicle space rented in a recreational vehicle park or Park by the same tenant under a rental agreement for more than 180 consecutive days. The RV Act also outlines the requirements for the rules of the recreational vehicle park or Park.

A.R.S. § 33-2106 prohibits Park or recreational vehicle park rental agreements from containing language requiring the waiver of tenant rights or remedies provided by law.

A.R.S. § 33-2132 directs a landlord to adopt written rules for a Park or recreational vehicle park and are only enforceable if the rules meet certain requirements that apply to all tenants on the premises in a fair manner. The rules must also be sufficiently explicit in prohibition, direction or limitation of the tenant's conduct and fairly inform tenants of what is necessary to comply. Finally, the rules may not be established for the purpose of evading the obligations of the landlord.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON _____ COMMERCE _____ BILL NO. SB 1362

DATE March 9, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza		✓			
Mr. Lawrence		✓			
Ms. Mach		✓			
Ms. Plumlee		✓			
Mr. Rivero		✓			
Mr. Shope		✓			
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		8	0	0	0


COMMITTEE SECRETARY

APPROVED:



WARREN H. PETERSEN, Chairman
JILL NORGAARD, Vice-Chairman

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

SB 1401

trade names; trademarks; application
Prime Sponsor: Senator Griffin, LD 14

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

SB 1401 specifies that applications must have statements indicating research of registered trade names and trademarks has been conducted.

PROVISIONS

1. Specifies that trade name and trademark applications must have a statement that indicates the applicant has researched the desired trade name or trademark and found no conflicts that would cause confusion or deception.
2. States that an applicant must indicate on the application if the desired trademark has previously been registered with the United States Patent and Trademark Office and if the registration was denied, the reason for the denial.
3. Makes technical changes.

CURRENT LAW

A.R.S. § 44-1443 outlines the process to register trade names, trademarks and service marks at the SOS's office. Applications for the various registrations may be obtained from the SOS's office or downloaded from their website. Completed applications must be notarized and submitted to the SOS with the appropriate filing fee listed in the Trade Name and Trademark Handbook. Trademarks and service marks must be renewed every 10 years and trade names every 5 years.

Registration filings include the name and business address of the person applying. A trade name, title or designation to be registered must list the general nature of the business conducted by the applicant, and length of time the name, title or designation has been used. A trademark or service mark registration must describe the goods or services and manner with which the mark is used in connection with those goods and services, the date of its first use, and a statement that the applicant is the owner and that no other person has a right to use the mark.

ADDITIONAL INFORMATION

According to the SOS's website:

Filing a trade name registers a business name for public record. A trade name is similar to a *doing business as* ("DBA") name, and is not legally required but is an acceptable business practice. Customers should perform an extensive and independent search for name availability. Once filed, the names are checked against the state's database of over 300,000 names.

SB 1401

Filing a trademark registers a logo or slogan to be displayed on goods or services for public record. Trademarks are also referred to as service marks. These are also not required to be registered, but are an acceptable business practice.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON _____ COMMERCE _____ BILL NO. _____ SB 1401

DATE _____ March 9, 2016 _____ MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza		✓			
Mr. Lawrence		✓			
Ms. Mach		✓			
Ms. Plumlee		✓			
Mr. Rivero		✓			
Mr. Shope		✓			
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		8	0	0	0


COMMITTEE SECRETARY

APPROVED:


WARREN H. PETERSEN, Chairman
JILL NORGAARD, Vice-Chairman

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

SB 1524

regulatory actions; limitation

Prime Sponsor: Senator Smith, LD 11

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

SB 1524 limits the ability of a city, town, county or state agency (Entity) to adopt regulations that affect individuals or businesses unless specifically authorized.

PROVISIONS

1. Prohibits an Entity from taking any new action to increase the regulatory burden on a person unless there is a critical or urgent need not addressed by legislation or self-regulation within the proposed field.
2. Prohibits an Entity from imposing a new regulation on a business using a digital platform for people to offer goods or services to the public or from each other, if the purpose is to regulate a business providing goods or services directly to the consumer.
3. Clarifies that this bill does not affect existing law or ordinance that gives specific authority to Entities.

CURRENT LAW

Arizona Revised Statutes (A.R.S.) Title 41, Chapter 6, *Administrative Procedure Act* (APA) governs the adoption of administrative rules and administrative adjudicatory proceedings by executive branch agencies. An *administrative rule* is an agency directive, standard, regulation or statement of general applicability that implements, interprets or prescribes law or policy or describes the procedure or practice requirements of an agency.

The *Arizona Administrative Code* contains the official published rules of the state of Arizona and the compilation of rules serve to govern all state agencies, boards, and commissions. The set includes rules divided into Titles and Chapters. The Secretary of State is responsible for publishing the Code, which is available online through their website.

Cities, towns and counties have the ability to adopt ordinances and rules under the regulatory authority of A.R.S. Title 9, Chapter 7 (Ordinances and Codes) and Title 11, Chapter 11 (County Regulations).

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1524

(Reference to Senate engrossed bill)

- 1 Page 1, line 4, strike "critical or urgent"
- 2 Line 5, strike "need" insert "health, safety or welfare"; after "services"
- 3 insert "; definitions"
- 4 Line 6, strike "SPECIFICALLY"; strike "STATUTE, ORDINANCE OR CODE" insert
- 5 "FEDERAL, STATE OR LOCAL LAW"
- 6 Line 7, after "THAT" insert "MATERIALLY"
- 7 Line 8, strike "PERSON" insert "BUSINESS"; strike "CRITICAL OR URGENT NEED"
- 8 insert "THREAT TO THE HEALTH, SAFETY OR WELFARE OF THE PUBLIC"
- 9 Line 9, strike "SELF-REGULATION" insert "INDUSTRY REGULATION"
- 10 Line 10, strike "SPECIFICALLY"; strike "STATUTE, ORDINANCE OR CODE" insert
- 11 "FEDERAL, STATE OR LOCAL LAW"
- 12 Line 11, strike "IMPOSE" insert "APPLY"; after "REGULATION" strike remainder of
- 13 line
- 14 Strike lines 12 and 13, insert "TO A QUALIFIED MARKETPLACE PLATFORM IF THE
- 15 PURPOSE OF THAT REGULATION IS TO"
- 16 Between lines 14 and 15, insert:
- 17 "C. FOR THE PURPOSES OF THIS SECTION:
- 18 1. "QUALIFIED MARKETPLACE CONTRACTOR" MEANS ANY PERSON OR
- 19 ORGANIZATION, INCLUDING AN INDIVIDUAL, CORPORATION, LIMITED LIABILITY
- 20 COMPANY, PARTNERSHIP, SOLE PROPRIETOR OR OTHER ENTITY, THAT ENTERS INTO AN
- 21 AGREEMENT WITH A QUALIFIED MARKETPLACE PLATFORM TO USE THE QUALIFIED
- 22 MARKETPLACE PLATFORM'S DIGITAL PLATFORM TO PROVIDE GOODS OR SERVICES TO
- 23 THIRD-PARTY INDIVIDUALS OR ENTITIES SEEKING THOSE SERVICES.
- 24 2. "QUALIFIED MARKETPLACE PLATFORM" MEANS AN ORGANIZATION, INCLUDING A
- 25 CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, SOLE PROPRIETOR OR ANY
- 26 OTHER ENTITY, THAT OPERATES A DIGITAL PLATFORM THAT FACILITATES THE PROVISION

1 OF GOODS OR SERVICES BY QUALIFIED MARKETPLACE CONTRACTORS TO THIRD-PARTY
2 INDIVIDUALS OR ENTITIES SEEKING THOSE GOODS OR SERVICES."
3 Page 1, line 17, strike "critical or urgent"
4 Line 18, strike "need" insert "health, safety or welfare"; after "services"
5 insert "; definitions"
6 Line 19, strike "SPECIFICALLY"; strike "STATUTE, ORDINANCE OR CODE" insert
7 "FEDERAL, STATE OR LOCAL LAW"
8 Line 20, after "THAT" insert "MATERIALLY"
9 Line 21, strike "PERSON" insert "BUSINESS"; strike "CRITICAL OR URGENT NEED"
10 insert "THREAT TO THE HEALTH, SAFETY OR WELFARE OF THE PUBLIC"
11 Line 22, strike "SELF-REGULATION" insert "INDUSTRY REGULATION"
12 Line 23, strike "SPECIFICALLY"; strike "STATUTE, ORDINANCE OR CODE" insert
13 "FEDERAL, STATE OR LOCAL LAW"
14 Line 24, strike "IMPOSE" insert "APPLY"; after "REGULATION" strike remainder of
15 line
16 Strike lines 25 and 26, insert "TO A QUALIFIED MARKETPLACE PLATFORM IF THE
17 PURPOSE OF THAT REGULATION IS TO REGULATE"
18 Between lines 27 and 28, insert:
19 "C. FOR THE PURPOSES OF THIS SECTION:
20 1. "QUALIFIED MARKETPLACE CONTRACTOR" MEANS ANY PERSON OR
21 ORGANIZATION, INCLUDING AN INDIVIDUAL, CORPORATION, LIMITED LIABILITY
22 COMPANY, PARTNERSHIP, SOLE PROPRIETOR OR OTHER ENTITY, THAT ENTERS INTO AN
23 AGREEMENT WITH A QUALIFIED MARKETPLACE PLATFORM TO USE THE QUALIFIED
24 MARKETPLACE PLATFORM'S DIGITAL PLATFORM TO PROVIDE GOODS OR SERVICES TO
25 THIRD-PARTY INDIVIDUALS OR ENTITIES SEEKING THOSE SERVICES.
26 2. "QUALIFIED MARKETPLACE PLATFORM" MEANS AN ORGANIZATION, INCLUDING A
27 CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, SOLE PROPRIETOR OR ANY
28 OTHER ENTITY, THAT OPERATES A DIGITAL PLATFORM THAT FACILITATES THE PROVISION
29 OF GOODS OR SERVICES BY QUALIFIED MARKETPLACE CONTRACTORS TO THIRD-PARTY
30 INDIVIDUALS OR ENTITIES SEEKING THOSE GOODS OR SERVICES."
31 Line 29, after "law" insert "; definitions"
32 Page 2, line 1, strike "SPECIFICALLY"; strike "STATUTE" insert "FEDERAL OR STATE
33 LAW"
34 Line 2, after "THAT" insert "MATERIALLY"; strike "PERSON" insert "BUSINESS"
35 Line 3, strike "CRITICAL OR URGENT NEED" insert "THREAT TO THE HEALTH, SAFETY OR
36 WELFARE OF THE PUBLIC"
37 Line 4, strike "SELF-REGULATION" insert "INDUSTRY REGULATION"

House Amendments to S.B. 1524

1 Page 2, line 5, strike "SPECIFICALLY"; strike "STATUTE" insert "FEDERAL OR STATE
2 LAW"; strike "IMPOSE" insert "APPLY"
3 Line 6, after "REGULATION" strike remainder of line
4 Strike line 7
5 Line 8, strike "EACH OTHER IF THAT REGULATION IS DESIGNED TO" insert "TO A
6 QUALIFIED MARKETPLACE PLATFORM IF THE PURPOSE OF THAT REGULATION IS TO"
7 After line 9, insert:
8 "G. FOR THE PURPOSES OF THIS SECTION:
9 1. "QUALIFIED MARKETPLACE CONTRACTOR" MEANS ANY PERSON OR
10 ORGANIZATION, INCLUDING AN INDIVIDUAL, CORPORATION, LIMITED LIABILITY
11 COMPANY, PARTNERSHIP, SOLE PROPRIETOR OR OTHER ENTITY, THAT ENTERS INTO AN
12 AGREEMENT WITH A QUALIFIED MARKETPLACE PLATFORM TO USE THE QUALIFIED
13 MARKETPLACE PLATFORM'S DIGITAL PLATFORM TO PROVIDE GOODS OR SERVICES TO
14 THIRD-PARTY INDIVIDUALS OR ENTITIES SEEKING THOSE SERVICES.
15 2. "QUALIFIED MARKETPLACE PLATFORM" MEANS AN ORGANIZATION, INCLUDING A
16 CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, SOLE PROPRIETOR OR ANY
17 OTHER ENTITY, THAT OPERATES A DIGITAL PLATFORM THAT FACILITATES THE PROVISION
18 OF GOODS OR SERVICES BY QUALIFIED MARKETPLACE CONTRACTORS TO THIRD-PARTY
19 INDIVIDUALS OR ENTITIES SEEKING THOSE GOODS OR SERVICES."
20 Amend title to conform

WARREN H. PETERSEN

1524PETERSEN
03/08/2016
3:33 PM
C: ns



HOUSE OF REPRESENTATIVES

SB 1420

industrial commission; compensation

Prime Sponsor: Senator Yee, LD 20

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

SB 1420 makes several revisions to the Industrial Commission of Arizona (ICA), including appointment of the Director and Commissioner per diems for preparation and attendance of ICA hearings.

PROVISIONS

1. Authorizes the Governor to appoint the ICA Director (rather than the Commissioners).
2. Instructs Commissioners to submit documentation of duties related to meeting preparation and attendance to the Director in order to receive their \$50 per diem.
3. Permits the Director to deny per diem for any Commissioner who fails to provide proper documentation or when the duties are not related to preparing for or attending an ICA hearing.
4. Makes technical and conforming changes.

CURRENT LAW

The Industrial Commission of Arizona (ICA) consists of five members appointed by the Governor and confirmed by the Senate to serve five years terms. Not more than three members may belong to the same political party. Members must have been an Arizona resident for at least five years immediately before their appointment. The chairman is appointed by the Governor and serves at his pleasure. Commissioners receive \$50 salary per day for each day (per diem) of actually performing their duties. The Governor may remove members for inefficiency or various other violations, including illegal or dishonest activity or other infractions of law. (ARS § 23-101)

ARS § 23-108 describes the position of the ICA Director, appointed by the commissioners, confirmed by the Senate and serving at the pleasure of the Governor. Statute permits the commissioners to determine the levels of administrative ability, education and training that the Director is required to have. The Director's powers and duties include administering the policies, powers and duties of the ICA.

ADDITIONAL INFORMATION

The Committee of Reference (made up of the Senate Commerce and Workforce Development Committee and the House of Representatives Commerce Committee) conducted a Sunset Review of the ICA and its associated boards in December 2015. One of the primary issues was the ICA Commissioner per diem and defining an eligible and appropriate claim.

ICA Final Report.pdf

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON COMMERCE BILL NO. SB 1420

DATE March 9, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza		✓			
Mr. Lawrence		✓			
Ms. Mach		✓			
Ms. Plumlee		✓			
Mr. Rivero		✓			
Mr. Shope		✓			
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		8	0	0	0


COMMITTEE SECRETARY

APPROVED: 

WARREN H. PETERSEN, Chairman
JILL NORGAAUD, Vice-Chairman

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

SB 1375

telephone solicitations

Prime Sponsor: Senator Lesko, LD 21

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

SB 1375 changes the definition of *telephone solicitation* to include outbound calls to other states.

PROVISIONS

1. Defines *telephone solicitation* as any voice communication from a live operator, announcing device or otherwise that is offering merchandise for sale or rent and the call is to or from a person located in this state.
2. Expands the prohibition of calling people on the national do-not-call registry to include out-of-state phone numbers.
3. Makes conforming changes.

CURRENT LAW

A.R.S. § 44-1271 states that a telephone solicitation occurs when a live operator, announcing device or otherwise offers merchandise for sale or rent to a telephone number in this state.

A.R.S. § 44-1272 requires telemarketers to register annually with the Secretary of State (SOS) before the seller solicits any consumer from a location in this state or any consumer located in this state. The SOS has three types of registrations that telemarketers can file: full registration; limited registration; and, a filing exemption. An annual full registration filing fee is \$500 and applicants are required to submit a surety bond of \$100,000. Applicants for a limited registration or a filing exemption are not required to pay a filing fee or surety bond.

A.R.S. § 44-1282 prohibits telemarketers from calling telephone numbers in Arizona if the telephone number is entered in the national do-not-call registry established by the Federal Trade Commission.

ADDITIONAL INFORMATION

According to the SOS's website:

"In response to growing concerns raised by consumers and businesses relating to unsolicited telephone solicitations, the Secretary of State's Office in conjunction with the Consumer Fraud Division of the Office of the Attorney General have worked to protect consumers from unwanted telephone sales calls and to provide increased public information before the seller solicits any consumer from a location in this state or any consumer located in this state."

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON COMMERCE BILL NO. SB 1375

DATE March 9, 2016 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza					✓
Mr. Lawrence		✓			
Ms. Mach		✓			
Ms. Plumlee		✓			
Mr. Rivero		✓			
Mr. Shope		✓			
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		7	0	0	1

APPROVED: _____

WARREN H. PETERSEN, Chairman
JILL NORGAAUD, Vice-Chairman


COMMITTEE SECRETARY

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

SB 1501

Arizona commerce authority; continuation; report
Prime Sponsor: Senator Yee, LD 20

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

SB 1501 continues the Arizona Commerce Authority (ACA) and implements the recommendations of the Office of the Auditor General resulting from the Performance Audit and Sunset Review process.

PROVISIONS

1. Continues the ACA for two years, until July 1, 2018.
2. Requires the ACA to annually report all of the following information on its website:
 - a. The progress made toward its goals for job creation, capital investment and higher average wages.
 - b. Information regarding each approved application, including the amount of the incentive either approved or awarded and the projected or awarded activity to qualify for the incentive.
3. Directs the ACA to develop and implement written procedures for grants from the Arizona Competes Fund that manage the following:
 - a. Document grantee selection.
 - b. The verification of information that is submitted by the grantees.
 - c. The evaluation of requests to amend grant terms and document decisions relating to the requests.
4. Makes technical and conforming changes.

CURRENT LAW

The ACA is the state's economic development organization, with a mission to grow and strengthen the economy. The ACA uses various monetary incentives to attract, expand and retain businesses. The ACA is exempt from rulemaking, the state procurement process, the personnel system, and general accounting practices. A board of directors consisting of public and private sector business, professional and elected policy leaders provides direction to the ACA. The Governor serves as chairman, and the board includes the ACA Chief Executive Officer and 17 private sector members. There are also 12 ex officio, non-voting members and 8 agency directors/commissioners serving as advisory members.

The financial entity through which the ACA administers grants is the Arizona Competes Fund (ACF). A.R.S. § 41-1545.02 permits the ACF to award grants to attract, expand or retain businesses in Arizona. Preference must be given to job training and infrastructure activities that create private sector jobs. Furthermore, the statutes authorize projects that support and advance rural and small businesses and economic development. Applicants must be in good standing on

Fifty-second Legislature
Second Regular Session

all necessary licenses and taxes, qualify as an Arizona basic industry, pay compensation that exceeds the median county wage and pay at least 65% of the employees' premium for health insurance. Additionally, applicants prove through third party verification that estimated income, property and TPT plus government fee revenues will exceed the state incentives. Before awarding grants, the ACA details the benefits, including the direct economic impact of the grants. A.R.S. § 41-1545.04 requires an annual report outlining the ACF's activities, including a summary of the direct jobs and economic impact of the awards.

ADDITIONAL INFORMATION

The ACA's mission is to grow and strengthen the state's economy and to attract, expand and retain businesses, with a focus on aerospace and defense, semiconductors and renewable energy. The ACA's five-year plan, through 2017 is:

- 1) to create 75,000 higher-wage jobs;
- 2) to increase the average wages of jobs created; and
- 3) to increase capital investment by \$6 billion.

The Committee of Reference consisting of the Senate Commerce and Workforce Development and the House of Representatives Commerce Committee recommended that the Legislature continue the ACA for two years, and the ACA implement reforms that increase transparency, place an emphasis on identifying and eliminating regulatory burdens and provide annual data on job creation and revenue growth to the state.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON _____ COMMERCE _____ BILL NO. SB 1501

DATE March 9, 2016 MOTION:

~~DP~~
HELD

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza					
Mr. Lawrence					
Ms. Mach					
Ms. Plumlee					
Mr. Rivero					
Mr. Shope					
Mrs. Norgaard, Vice-Chairman					
Mr. Petersen, Chairman					

APPROVED:


COMMITTEE SECRETARY

WARREN H. PETERSEN, Chairman
JILL NORGAARD, Vice-Chairman

ATTACHMENT _____

ARIZONA STATE LEGISLATURE
Fifty-second Legislature - Second Regular Session
COMMITTEE ATTENDANCE RECORD

COMMITTEE ON COMMERCE

CHAIRMAN: Warren H. Petersen VICE-CHAIRMAN: Jill Norgaard

DATE	3/9 /16	/16	/16	/16	/16
CONVENED	9:30 AM	m	m	m	m
RECESSED	11:18 AM				
RECONVENED	11:22 AM				
ADJOURNED	11:25 AM				
MEMBERS					
Mr. Espinoza	✓				
Mr. Lawrence	✓				
Ms. Mach	✓				
Ms. Plumlee	✓				
Mr. Rivero	✓				
Mr. Shope	✓				
Mrs. Norgaard, Vice-Chairman	✓				
Mr. Petersen, Chairman	✓				

√ Present --- Absent exc Excused